

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al., : 08-13555 (JMP)
Debtors. : (Jointly Administered)

DECLARATION OF HOLLY A. CLACK
IN SUPPORT OF FOUR HUNDRED FIFTY FIRST
OMNIBUS OBJECTION TO CLAIMS

Pursuant to 28 U.S.C. § 1746, I, Holly A. Clack, declare:

1. I am over the age of 18 years and make these statements of my own personal knowledge, my review of the business records of Lehman Brothers Holdings Inc. (“LBHI” or the “Plan Administrator”) and certain of its affiliates (collectively, the “Chapter 11 Estates”), and/or my consultation with employees and professionals of the Chapter 11 Estates, Alvarez & Marsal Global Forensic and Dispute Services, LLC and its affiliates (“A&M”). If called to testify, I could testify to the truth of the matters set forth herein.

2. I submit this declaration on behalf of LBHI, as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors, in support of the Four Hundred Fifty First Omnibus Objection to Claims (the “Objection”).¹ Prior to its filing, I reviewed and approved the Objection, and I adopt the representations contained therein, as if set forth in full and at length in this declaration.

3. I am a Senior Director with A&M. I typically assist clients and counsel involved in complex commercial disputes, and I investigate allegations of fraud, embezzlement,

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Objection.

and financial reporting irregularities. I am an associate member of the American Bar Association and the Boston Bar Association. I have worked for A&M in connection with the above-referenced chapter 11 cases of the Chapter 11 Estates for over four years.

4. In my role as a Senior Director with A&M working on the Chapter 11 Estates, I have had extensive experience analyzing and reviewing claims filed in accordance with the Lehman Programs Securities Procedures. Through this experience and my communications with Euroclear, Clearstream, and other parties involved in the Lehman Programs Securities Procedures, I have come to understand that each Blocking Number issued by the applicable clearing agency relates to a specific holder of a specific Lehman Programs Security and identifies the notional amount of the holder's investment in that particular security. The clearing agencies provided A&M with a spreadsheet that lists, among other things, all Blocking Numbers issued by the clearing agencies and the notional amounts corresponding to each Blocking Number. Accordingly, by cross-referencing the Blocking Numbers provided by the Claimants on their proof of claim forms with the Blocking Numbers listed on the spreadsheet provided by the clearing agencies, I was able to determine the notional amount of each Claimant's investment in the Preferred Securities (each a "Notional Amount").

5. I reviewed the base prospectus ("Prospectus I") in respect of the securities bearing ISIN XS0215349357 issued by UK Capital Funding I. Prospectus I provides that "Distributions will be payable out of the Issuer's own legally available resources annually in arrear on 30th March in each year" and that, subsequent to March 30, 2007, "Distributions will accrue on the Preferred Securities at a rate equal to the aggregate of the prevailing Reference Rate" and a margin of 0.10% per annum (the "Yearly Rate"). Prospectus I at 8. Using Prospectus I's definition of the "Reference Rate," I calculated that: (i) the Yearly Rate for the

period of March 30, 2008 to March 29, 2009 was 4.544%; (ii) the Yearly Rate for the period of March 30, 2009 to March 29, 2010 was 3.629%; and (iii) the Yearly Rate for the period of March 30, 2010 to June 22, 2010 was 3.428%. *Id.* To calculate the amount of Unfunded Distributions owing to each Claimant in respect of its investment in ISIN XS0215349357 for each period, I multiplied each Claimant's Notional Amount of ISIN XS0215349357 by the applicable percentage listed above. For the period of March 30, 2010 to June 22, 2010, I pro-rated the annual amount by further multiplying by 82 / 360. For each Claimant, I then aggregated the amount of Unfunded Distributions applicable to each period. I then converted into U.S. Dollars each such aggregate amount of Unfunded Distributions for each Claimant, using the Commencement Date exchange rate of .7047 USD to EUR, to arrive at the Reduced Amounts in respect of ISIN XS0215349357 listed on Exhibit A attached to the Objection.

6. I have reviewed the base prospectus ("Prospectus II") in respect of the securities bearing ISIN XS0229269856 issued by UK Capital Funding II. Prospectus II provides that "Distributions will be payable out of the Issuer's own legally available resources annually in arrear on the distribution payment date specified in the Final Terms in each year (each a "Distribution Payment Date"), accruing at a rate per annum specified in the Final Terms." Prospectus II at 6. The Final Terms provided a Distribution Payment Date of September 21 and a rate per annum of 5.125%. See Prospectus II at the Final Terms page. To calculate the amount of Unfunded Distributions owing to each Claimant in respect of its investment in ISIN XS0229269856 for each period, I multiplied each Claimant's Notional Amount of ISIN XS0229269856 by 5.125% for each of the following periods: (i) September 22, 2007 to September 21, 2008; (ii) September 22, 2008 to September 21, 2009; and (iii) September 22, 2009 to June 22, 2010. For the period of September 22, 2009 to June 22, 2010, I pro-rated the

annual amount by further multiplying by 273 / 365. For each Claimant, I then aggregated the amount of Unfunded Distributions applicable to each period. I then converted into U.S. Dollars each such aggregate amount of Unfunded Distributions for each Claimant, using the Commencement Date exchange rate of .7047 USD to EUR, to arrive at the Reduced Amounts in respect of ISIN XS0229269856 listed on Exhibit A attached to the Objection.

7. The aggregate amount of Unfunded Distributions owing to each Claimant in respect of ISIN XS0215349357 and ISIN XS0229269856 – *i.e.*, LBH Plc's Maximum Liability – equals EUR 9,086,328.73 or \$12,893,896.29 using an exchange rate of .7047 USD to EUR. The Claims, which appear to have been filed in amounts that equal or exceed the Claimants' notional investments in the Preferred Securities, were filed in an aggregate amount of \$62,678,763.34.

8. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge.

Executed on this 20th day of December 2013.

Holly A. Clack
Holly A. Clack